



Cinergy/ULH&P
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

August 10, 2004

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Case 2004-00313

RECEIVED
AUG 10 2004
PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

RE: Gas Cost Adjustment Quarterly Filing

Enclosed for filing are an original and four (4) conformed copies of The Union Light, Heat and Power Company's (Union Light) "Quarterly Report of Gas Cost Calculations and Revised Tariff Schedules," including supporting schedules and other workpapers cross-referencing Suppliers rates and other calculations in this filing for the quarter commencing with the September 2004 revenue month.

The above described schedules and GCA are effective with the final meter readings of District 1, September 2004, revenue month (i.e., final meter readings on and after August 30, 2004).

Union Light's proposed GCA is \$6.769 per Mcf. This rate represents a decrease of \$0.590 per Mcf from the rate currently in effect for August 2004.

Please stamp "FILED" on the additional enclosed copy of the application and return for our file. Thank you.

Very truly yours,

Robert P. Butts, Jr.

RPB:ga

Enclosure

THE UNION LIGHT, HEAT AND POWER COMPANY
GAS COST ADJUSTMENT CLAUSE

RECEIVED

AUG 10 2004

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM AUGUST 30, 2004 THROUGH NOVEMBER 29, 2004 PUBLIC SERVICE COMMISSION

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	6.653
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.001)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.126
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.009)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>6.769</u>

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	6.653

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	(0.001)
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	<u>0.000</u>
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.001)

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	(0.320)
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.144
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	0.347
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>(0.045)</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.126

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.023
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.041)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.031
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	<u>(0.022)</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.009)

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: August 10, 2004

BY: JOHN P. STEFFEN

TITLE: VICE-PRESIDENT, RATES

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY
EXPECTED GAS COST RATE CALCULATION (EGC)**

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF SEPTEMBER 1, 2004

<u>DEMAND (FIXED) COSTS:</u>	<u>\$</u>
Columbia Gas Transmission Corp.	3,273,656
Tennessee Gas Pipeline	919,620
Columbia Gulf Transmission Corp.	916,803
K O Transmission Company	291,880
Gas Marketers	<u>188,552</u>
TOTAL DEMAND COST:	5,590,511
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	11,434,197 MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	$\frac{\$5,590,511}{11,434,197 \text{ MCF}} = \mathbf{\$0.489 /MCF}$
<u>COMMODITY COSTS:</u>	
Gas Marketers	\$6.164 /MCF
Gas Storage	
Columbia Gas Transmission	\$0.000 /MCF
Propane	<u>\$0.000 /MCF</u>
COMMODITY COMPONENT OF EGC RATE:	\$6.164 /MCF
TOTAL EXPECTED GAS COST:	<u><u>\$6.653 /MCF</u></u>

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : SEPTEMBER 1, 2004

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GAS TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE : FSS: 8/1/2004				
SST: 8/1/2004				
<u>BILLING DEMAND - TARIFF RATE - FSS</u>				
Max. Daily Withdrawl Quan.	1.5080	46,656	12	844,287
Seasonal Contract Quantity	0.0290	1,610,276	12	560,376
<u>BILLING DEMAND - TARIFF RATE - SST</u>				
Maximum Daily Quantity	4.4510	46,656	6	1,245,995
Maximum Daily Quantity	4.4510	23,328	6	622,998
CAPACITY RELEASE CREDIT				0
TOTAL COLUMBIA GAS TRANSMISSION CORP. DEMAND CHARGES				3,273,656

INTERSTATE PIPELINE : **TENNESSEE GAS PIPELINE**
TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE

<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Max. Daily Quantity Zone 1-2	3.9300	46,800	5	919,620
CAPACITY RELEASE CREDIT				0
TOTAL TENNESSEE GAS PIPELINE DEMAND CHARGES				919,620

Columbia Gas Transmission Corporation
 FERC Gas Tariff
 Second Revised Volume No. 1

Nineteenth Revised Sheet No. 29
 Superseding
 Eighteenth Revised Sheet No. 29

Currently Effective Rates
 Applicable to Rate Schedule FSS, ISS, and SIT
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment Current	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Current	Surcharge				
Rate Schedule <u>FSS</u>							
Reservation Charge	\$ 1.508	-	-	-	-	1.508	0.050
Capacity	¢ 2.90	-	-	-	-	2.90	2.90
Injection	¢ 1.53	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	1.53	1.53
Overrun	¢ 10.92	-	-	-	-	10.92	10.92
Rate Schedule ISS							
Commodity							
Maximum	¢ 5.95	-	-	-	-	5.95	5.95
Minimum	¢ 0.00	-	-	-	-	0.00	0.00
Injection	¢ 1.53	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	1.53	1.53
Rate Schedule SIT							
Commodity							
Maximum	¢ 4.13	-	-	-	-	4.13	4.13
Minimum	¢ 1.53	-	-	-	-	1.53	1.53

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Currently Effective Rates
 Applicable to Rate Schedule SST and GTS
 Rate Per Dth

Rate Schedule	Commodity	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Electric Power Costs Adjustment Current	Annual Charge Adjustment 2/	Total Effective Rate 3/	Daily Rate
Rate Schedule SST	Reservation Charge	\$ 5.675*	0.336	0.022	-	6.040	0.199
	Commodity						
	Maximum	1.02	0.37	0.22	0.21	1.89	1.89
	Minimum	1.02	0.37	0.22	0.21	1.89	1.89
	Overrun	19.68	1.47	0.29	0.21	21.75	21.75
Rate Schedule GTS	Commodity						
	Maximum	75.15	2.58	0.36	0.21	78.41	78.41
	Minimum	3.08	0.37	0.22	0.21	3.99	3.99
	MFCC	72.07	2.21	0.14	-	74.42	74.42

4.451

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
 3/ Minimum reservation charge is \$0.00.

* LESS 28% DISCOUNT ON BASE RATE = 5.675 x .72 = 4.086
 PER RATE CASE # RP95-408 SETTLEMENT.

March 24, 2003

Union Light, Heat & Power Company
139 East Fourth Street
P.O. Box 960, Rm. 403A
Cincinnati, OH 45201

Attention: Mr. Randy Randolph

RE: Firm Transportation Negotiated Rate Letter Agreement
Tennessee FT-A Service Package No. 40311
Open Season #321 Package #1

Dear Randy:

In response to the request of Union Light, Heat & Power Company (ULH&P), and pursuant to Section 5.7 of Tennessee Gas Pipeline Company's (Tennessee) FT-A Rate Schedule, Tennessee hereby agrees to adjust its then applicable FT-A Transportation rate for FT-A service provided under the above referenced contract as follows:

1. a) If ULH&P, its assignee(s) or its agent(s) (hereinafter collectively referred to as "ULH&P") violates the terms of this Negotiated Rate Agreement or the terms of the above-referenced service package, Tennessee shall have the right, in its sole discretion, to immediately terminate this Negotiated Rate Agreement and/or assess, from the date of the violation, the maximum Tennessee monthly reservation rate for the entire contract quantity and the maximum daily commodity rates on all transactions occurring under this Negotiated Rate Agreement.
- b) For the period commencing November 1, 2003, and extending through March 31, 2004, for gas delivered by Tennessee on behalf of ULH&P to North Means (meter #020049) under the above referenced service package; the applicable rates for volumes received by Tennessee from Zone 1 receipt points will be the lesser of:
 - i) A monthly reservation rate of \$3.93 per Dth and the maximum daily commodity rate. These rates are inclusive of surcharges.

or

- ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.

In addition, ULH&P will pay applicable fuel and lost and unaccounted for charges.

- c) Receipts and/or deliveries to points other than those listed above during the term of ULH&P's Service Package shall result in ULH&P being assessed Tennessee's maximum reservation rate for the entire transportation quantity ("TQ") on the day(s) of such deliveries and the maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : _____ SEPTEMBER 1, 2004 _____

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE : FTS-1: 8/1/2004				
FTS-2: 8/1/2004				
<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	3.1450	22,782	5	358,247
Maximum Daily Quantity	3.1450	17,598	7	387,420
<u>BILLING DEMAND - TARIFF RATE - FTS-2</u>				
Maximum Daily Quantity	0.9995	16,453	5	82,224
Maximum Daily Quantity	0.9995	12,708	7	88,912
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				916,803
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE : 4/1/2004				
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Maximum Daily Quantity	0.3560	68,324	12	291,880
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				291,880
VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :				
November - March	0.0074	9,973,204		73,892
December - February	0.364	315,000		114,660
TOTAL GAS MARKETERS FIXED CHARGES				188,552

Currently Effective Rates
 Applicable to Rate Schedule FTS-1
 Rates per Dth

Base Rate (1) \$	Annual Charge Adjustment (2) \$	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) %
3.1450	-	3.1450	3.1450	0.1034	-
0.0170	0.0021	0.0191	0.0191	0.0191	2.837
0.0170	0.0021	0.0191	0.0191	0.0191	2.837
0.1204	0.0021	0.1225	0.1225	0.1225	2.837

Rate Schedule (FTS-1)
 Rayne, LA To Points North
 Reservation Charge 2/

Commodity
 Maximum
 Minimum
 Overrun

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

Currently Effective Rates
 Applicable to Rate Schedule FTS-2
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) %
Rate Schedule (FTS-2)						
Offshore Laterals						
Reservation Charge 2/ Commodity	2.6700	-	2.6700	2.6700	0.0878	-
Maximum	0.0002	0.0021	0.0023	0.0023	0.0023	0.565
Minimum	0.0002	0.0021	0.0023	0.0023	0.0023	0.565
Overrun	0.0880	0.0021	0.0901	0.0901	0.0901	0.565
Onshore Laterals						
Reservation Charge 2/ Commodity	1.0603	-	<u>1.0603</u>	1.0603	0.0349	-
Maximum	0.0017	0.0021	0.0038	0.0038	0.0038	0.763
Minimum	0.0017	0.0021	0.0038	0.0038	0.0038	0.763
Overrun	0.0366	0.0021	0.0387	0.0387	0.0387	0.763
Offsystem-Onshore						
Reservation Charge 2/ Commodity	2.5255	-	2.5255	2.5255	0.0830	-
Maximum	0.0070	0.0021	0.0091	0.0091	0.0091	-
Minimum	0.0070	0.0021	0.0091	0.0091	0.0091	-
Overrun	0.0900	0.0021	0.0921	0.0921	0.0921	-

DISCOUNTED TO 0.9995 PER RATE CASE # RP97-52 SETTLEMENT.

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

**CURRENTLY EFFECTIVE RATES
 APPLICABLE TO RATE SCHEDULES FTS AND ITS**

RATE LEVELS - RATE PER DTH

	Base Tariff Rate	Annual Charge Adjustment 1/	R&D Funding Unit 2/	Total Effective Rate
RATE SCHEDULE <u>FTS</u>				
Reservation Charge 3/				
Maximum 1	<u>\$0.3560</u>	--	\$0.2180	\$0.5740
Maximum 2	\$0.3560	--	\$0.1340	\$0.4900
Daily Rate - Maximum 1	\$0.0117	--	\$0.0072	\$0.0189
Daily Rate - Maximum 2	\$0.0117	--	\$0.0044	\$0.0161
Commodity				
Maximum	\$0.0000	\$0.0021	\$0.0085	\$0.0106
Minimum	\$0.0000	\$0.0021	\$0.0000	\$0.0021
Overrun	\$0.0117	\$0.0021	\$0.0085	\$0.0223
RATE SCHEDULE ITS				
Commodity				
Maximum	\$0.0117	\$0.0021	\$0.0085	\$0.0223
Minimum	\$0.0000	\$0.0021	\$0.0000	\$0.0021

1/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

2/ GRI assessed where applicable pursuant to Section 154.401 of the Commission's regulations. The Maximum 1 rate is applicable to customers with load factors exceeding 50%; the Maximum 2 is applicable to customers with load factors equal to or less than 50%.

3/ Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 1.00%

NOTE: Utilizing GISB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.

8/6/2004

**THE UNION LIGHT, HEAT & POWER COMPANY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 9/1/2004**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 73,892 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 9,973,204 DTH (2)

CALCULATED RATE: \$ 0.0074 PER DTH

(1) Reservation charges billed by firm suppliers for 2003 - 2004.

(2) Contracted volumes for the 2003 - 2004 winter season.

8/6/2004

**THE UNION LIGHT, HEAT & POWER COMPANY
TOTAL RESERVATION COSTS FROM NEEDLE PEAKING SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 9/1/2004**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 114,660 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 315,000 DTH (2)

CALCULATED RATE: \$ 0.3640 PER DTH

(1) Reservation charges billed by needle peaking suppliers for 2003 - 2004.

(2) Contracted volumes for the 2003 - 2004 winter season.

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : _____ SEPTEMBER 1, 2004 _____

GAS COMMODITY RATE FOR SEPTEMBER, 2004:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$5.8856	\$/Dth
ULH&P FUEL	1.800%	\$0.1059	\$5.9915	\$/Dth
DTH TO MCF CONVERSION	1.0287	\$0.1720	\$6.1635	\$/Mcf
ESTIMATED WEIGHTING FACTOR	1.0000		\$6.1635	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$6.164	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$5.7393	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$5.7546	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.565%	\$0.1476	\$5.9022	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0168	\$5.9190	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0138	\$5.9328	\$/Dth
ULH&P FUEL	1.800%	\$0.1068	\$6.0396	\$/Dth
DTH TO MCF CONVERSION	1.0287	\$0.1733	\$6.2129	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000		\$0.0000	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.000	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.34268	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$4.7427	\$5.0854	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0000		\$0.0000	\$/Mcf
PROPANE COMMODITY RATE			\$0.000	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 8/09/04 and contracted hedging prices.

**GAS COST ADJUSTMENT CLAUSE
THE UNION LIGHT, HEAT AND POWER COMPANY
SUPPLIER REFUND ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED**

MAY 31,

2004

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD MARCH 1, 2004 THROUGH MAY 31, 2004	\$	12,313.00
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		1.0031
REFUNDS INCLUDING INTEREST (\$12,313.00 x 1.0031)	\$	12,351.17
DIVIDED BY 12 MONTH PROJECTED SALES ENDED AUGUST 31, 2005	MCF	11,436,364
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.001)</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED

MAY 31,

2004

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
COLUMBIA GAS TRANSMISSION COMPANY - REFUND DATED April 14, 2004	\$	12,313.00
TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA RAU	\$	<u>12,313.00</u>

**GAS COST ADJUSTMENT CLAUSE
THE UNION LIGHT, HEAT AND POWER COMPANY
BALANCE ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED MAY 31, 2004**

DESCRIPTION	UNIT	AMOUNT
<u>RECONCILIATION OF A PREVIOUS GAS COST VARIANCE</u>		
GAS COST DIFFERENCE TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "AA" EFFECTIVE JUNE 1, 2003	\$	5,072,050.19
LESS: AMOUNT RECOVERED (RETURNED) BY THE AA OF \$ <u>0.437</u> /MCF APPLIED TO TOTAL SALES OF <u>10,993,414</u> MCF (TWELVE MONTHS ENDED MAY 31, 2004)	\$	<u>4,804,121.75</u>
BALANCE ADJUSTMENT FOR THE "AA"	\$	<u>267,928.44</u>
<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND</u>		
SUPPLIER REFUND AMOUNT TO BE DISTRIBUTED TO CUSTOMERS WHICH WAS USED TO COMPUTE THE "RA" EFFECTIVE JUNE 1, 2003	\$	(3,076.28)
LESS: AMOUNT DISTRIBUTED BY THE "RA" OF \$ <u>0.000</u> /MCF APPLIED TO TOTAL SALES OF <u>10,993,414</u> MCF (TWELVE MONTHS ENDED MAY 31, 2004)	\$	<u>0.00</u>
BALANCE ADJUSTMENT FOR THE "RA"		<u>(3,076.28)</u>
<u>RECONCILIATION OF A PREVIOUS BALANCE ADJUSTMENT</u>		
AMOUNT TO BE RECOVERED FROM OR (RETURNED TO) CUSTOMERS WHICH WAS USED TO COMPUTE THE "BA" EFFECTIVE JUNE 1, 2003	\$	46,139.17
LESS: AMOUNT RECOVERED (RETURNED) BY THE "BA" OF \$ <u>0.004</u> /MCF APPLIED TO TOTAL SALES OF <u>10,993,414</u> MCF (TWELVE MONTHS ENDED MAY 31, 2004)	\$	<u>43,973.65</u>
BALANCE ADJUSTMENT FOR THE "BA"	\$	<u>2,165.52</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>267,017.68</u>
DIVIDED BY: 12 MONTHS PROJECTED SALES ENDED AUGUST 31, 2005	MCF	<u>11,436,364</u>
EQUALS: CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	<u>0.023</u>
BAU		

Schedule V

Revised Tariff Schedules

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED

	<u>Sheet No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>SERVICE REGULATIONS</u>				
Service Agreements.....	20	05/24/92	02/26/92	
Supplying and Taking of Service.....	21	05/24/92	02/26/92	
Customer's Installation.....	22	05/24/92	02/26/92	
Company's Installation.....	23	05/24/92	02/26/92	
Metering.....	24	09/10/93	09/10/93	
Billing and Payment.....	25	02/02/01	02/02/01	
Deposits.....	26	09/10/93	09/10/93	
Application.....	27	05/24/92	02/26/92	
Gas Space Heating Regulations.....	28	05/24/92	02/26/92	
Availability of Gas Service.....	29	05/24/92	02/26/92	
<u>FIRM SERVICE TARIFF SCHEDULES</u>				
Rate RS, Residential Service.....	30	08/30/04	08/30/04	
Rate GS, General Service.....	31	08/30/04	08/30/04	(C)
Reserved for Future Use.....	32			
Reserved for Future Use.....	33			
Reserved for Future Use.....	34			
Reserved for Future Use.....	35			
Reserved for Future Use.....	36			
Reserved for Future Use.....	37			
Reserved for Future Use.....	38			
Reserved for Future Use.....	39			
Reserved for Future Use.....	40			
Reserved for Future Use.....	41			
Reserved for Future Use.....	42			
Reserved for Future Use.....	43			
Rate FRAS, Full Requirements Aggregation Service.....	44	03/01/02	01/31/02	
Reserved for Future Use.....	45			
Reserved for Future Use.....	46			
Reserved for Future Use.....	47			
Reserved for Future Use.....	48			
Reserved for Future use.....	49			
<u>TRANSPORTATION TARIFF SCHEDULE</u>				
Rate IT, Interruptible Transportation Service.....	50	03/01/02	01/31/02	
Purchased Service.....	50	03/01/02	01/31/02	
Summer Minimum Service.....	50	03/01/02	01/31/02	
Unauthorized Delivery.....	50	03/01/02	01/31/02	
Rate FT-L, Firm Transportation Service.....	51	04/07/02	04/08/02	
FT Bills – No GCRT.....	51	04/07/02	04/08/02	
FT Bills – With GCRT.....	51	04/07/02	04/08/02	
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Issued by authority of an Order of the Kentucky Public Service Commission dated

in Case No.

Issued:

Effective: August 30, 2004

Issued by Gregory C. Ficke, President

INDEX TO APPLICABLE GAS TARIFF SCHEDULES AND COMMUNITIES SERVED (Contd.)

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Issued by authority of an Order of the Kentucky Public Service Commission dated

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Issued:

Effective: August 30, 2004

Issued by Gregory C. Ficke, President

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky. P.S.C. Gas No. 5
Sheet No. 30.74
Canceling and Superseding
Sheet No. 30.73
Page 1 of 1

RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month: \$8.30
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for all CCF at	23.34¢	plus	67.69¢	Equals	91.03¢	(R)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated _____ in Case No. _____

Issued:

Effective: August 30, 2004

Issued by Gregory C. Ficke, President

RATE GS

GENERAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$15.35
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	20.49¢	plus	67.69¢	Equals	88.18¢	(R)

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Issued by Gregory C. Ficke, President

Effective: August 30, 2004

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky.P.S.C. Gas No. 5
Sheet No. 31.76
Canceling and Superseding
Sheet No. 31.75
Page 2 of 2

TERM OF SERVICE

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Issued by Gregory C. Ficke, President

Effective: August 30, 2004

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky.P.S.C. Gas No. 5
Sheet No. 77.11
Canceling and Superseding
Sheet No. 77.10
Page 1 of 1

RIDER GCAT

GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be 1.16 cents per 100 cubic feet. This rate shall be in effect during the month of September 2004 through November 2004 and shall be updated quarterly, concurrent with the Company's GCA filings.

(R)

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Effective: August 30, 2004

Issued by Gregory C. Ficke, President

THE UNION LIGHT, HEAT AND POWER COMPANY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF AUGUST 30, 2004

3RD QUARTER INT

**THE UNION LIGHT, HEAT AND POWER COMPANY
USED FOR GCA EFFECTIVE SEPTEMBER 1, 2004
COMPUTATION OF THE INTEREST FACTOR
FOR THE GCA CALCULATION ON SCHEDULE II**

**TWELVE MONTHS ENDED JUNE 30, 2004
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)**

INTEREST RATE	0.0057
PAYMENT	0.083591
ANNUAL TOTAL	1.0031
MONTHLY INTEREST AMOUNT	0.000475 1

JUNE	2003	0.99	
JULY	2003	1.02	
AUGUST	2003	1.05	
SEPTEMBER	2003	1.03	
OCTOBER	2003	1.04	
NOVEMBER	2003	1.06	
DECEMBER	2003	1.01	
JANUARY	2004	1.02	
FEBRUARY	2004	1.01	
MARCH	2004	0.98	
APRIL	2004	1.03	
MAY	2004	1.17	12.41
JUNE	2004	1.44	12.86

PRIOR ANNUAL TOTAL	12.41
PLUS CURRENT MONTHLY RATE	1.44
LESS YEAR AGO RATE	0.99
NEW ANNUAL TOTAL	12.86
AVERAGE ANNUAL RATE	1.07
LESS 0.5% (ADMINISTRATIVE)	0.57

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

MARCH, 2004

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH MARCH, 2004</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,273,292
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(2,901)
TOTAL SUPPLY VOLUMES	MCF	<u>1,270,391</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	7,937,567
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(17,626)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>7,919,941</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	1,487,385.2
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>1,487,385.2</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.325
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.388</u>
DIFFERENCE	\$/MCF	(1.063)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>1,487,385.2</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(1,581,090.47)</u></u>

**THE UNION LIGHT, HEAT AND POWER COMPANY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF MARCH, 2004**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	7,976,130.78	
adjustments	(24,469.30)	
IT monthly charges entered by Gas Supply(opp sign of Sch.)	(14,094.02)	
	<hr/>	7,937,567
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	
	<hr/>	0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 LESS CMT MANAGEMENT FEE	17,626.00	(17,626)
 LESS: TOP TRANSP. RECOVERIES	0.00	0
 LESS: GAS LOSSES - DAMAGED LINES	0.00	0
 LESS: GAS SOLD TO REMARKETERS	0.00	
adjustments	0.00	
	<hr/>	0
 LESS: GAS COST CREDIT	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	
	<hr/>	0
 TOTAL SUPPLY COSTS		<hr/> <u>7,919,941</u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	(1,581,090.47)
ACCOUNT 805-10	1,581,090.47

THE UNION LIGHT, HEAT AND POWER COMPANY

MARCH, 2004

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	1,487,385.2	9,500,842.95	6.38761428
RA		(5,923.22)	
AA		790,754.12	
BA		59,338.24	
TOTAL GAS COST RECOVERY(GCR)		<u>10,345,012.09</u>	
TOTAL SALES VOLUME	1,487,385.2		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>1,487,385.2</u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	1,487,385.2	7,919,941.00	5.32474103
UNRECOVERED PURCHASED GAS COST		2,371,844.59	
ROUNDING(ADD/(DEDUCT))		<u>(188.53)</u>	
TOTAL GAS COST IN REVENUE		<u>10,291,597.06</u>	
TOTAL GAS COST RECOVERY(GCR)		10,345,012.09	
LESS: RA		(5,923.22)	
BA		<u>59,338.24</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>10,291,597.07</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		2,371,844.59	
LESS: AA		<u>790,754.12</u>	
MONTHLY COST DIFFERENCE		1,581,090.47	
EXTENDED MONTHLY COST DIFFERENCE		<u>1,580,901.94</u>	
ROUNDING		<u>(188.53)</u>	

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

APRIL, 2004

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH APRIL, 2004</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	636,702
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(16,539)
TOTAL SUPPLY VOLUMES	MCF	<u>620,163</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	4,142,015
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(17,626)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>4,124,389</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	997,231.4
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>997,231.4</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.136
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.397</u>
DIFFERENCE	\$/MCF	(2.261)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>997,231.4</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(2,254,740.20)</u></u>

**THE UNION LIGHT, HEAT AND POWER COMPANY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF APRIL, 2004**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	4,205,344.01	
adjustments	(90,979.83)	
IT monthly charges entered by Gas Supply(opp sign of Sch.)	27,650.70	
	<hr/>	4,142,015
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	
	<hr/>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	
		0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>	17,626.00	(17,626)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 <u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	0.00	
	<hr/>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	
	<hr/>	0
 TOTAL SUPPLY COSTS		 <hr/> <u>4,124,389</u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	(2,254,740.20)
ACCOUNT 805-10	2,254,740.20

THE UNION LIGHT, HEAT AND POWER COMPANY

08/06/04

APRIL, 2004

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	997,231.4	6,379,650.50	6.39736224
RA		(3,980.69)	
AA		533,825.29	
BA		40,139.05	
TOTAL GAS COST RECOVERY(GCR)		<u>6,949,634.15</u>	
TOTAL SALES VOLUME	997,231.4		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>997,231.4</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	997,231.4	4,124,389.00	4.13583949
UNRECOVERED PURCHASED GAS COST		2,788,565.49	
ROUNDING(ADD/(DEDUCT))		<u>521.30</u>	
TOTAL GAS COST IN REVENUE		<u>6,913,475.79</u>	
TOTAL GAS COST RECOVERY(GCR)		6,949,634.15	
LESS: RA		(3,980.69)	
BA		<u>40,139.05</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>6,913,475.79</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		2,788,565.49	
LESS: AA		<u>533,825.29</u>	
MONTHLY COST DIFFERENCE		2,254,740.20	
EXTENDED MONTHLY COST DIFFERENCE		<u>2,255,261.50</u>	
ROUNDING		<u>521.30</u>	

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

MAY, 2004

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH MAY, 2004</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	289,783
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(1,822)
TOTAL SUPPLY VOLUMES	MCF	<u>287,961</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	2,183,862
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(17,626)
- Losses-Damaged Lines	\$	(525)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>2,165,711</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	430,448.4
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>430,448.4</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	5.031
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.833</u>
DIFFERENCE	\$/MCF	(1.802)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>430,448.4</u>
MONTHLY COST DIFFERENCE	\$	<u><u>(775,668.02)</u></u>

**THE UNION LIGHT, HEAT AND POWER COMPANY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF MAY, 2004**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	2,178,104.31	
adjustments	(10,409.01)	
IT monthly charges entered by Gas Supply (1)	<u>16,166.78</u>	2,183,862
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 LESS CMT MANAGEMENT FEE	17,626.00	(17,626)
 LESS: TOP TRANSP. RECOVERIES	0.00	0
 LESS: GAS LOSSES - DAMAGED LINES	525.03	(525)
 LESS: GAS SOLD TO REMARKETERS	0.00	
adjustments	<u>0.00</u>	0
 LESS: GAS COST CREDIT	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>2,165,711</u></u>

(1) Reflects an adjustment of \$16,166.78 for prior period IT Transportation Monthly Charges.

ACCOUNTING ENTRY FOR DEFERRAL ONLY

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>
ACCOUNT 191-40	(775,668.02)
ACCOUNT 805-10	775,668.02

THE UNION LIGHT, HEAT AND POWER COMPANY

08/06/04

MAY, 2004

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	430,448.4	2,941,137.33	6.83272915
RA		(1,716.69)	
AA		227,800.60	
BA		17,092.98	
TOTAL GAS COST RECOVERY(GCR)		<u>3,184,314.22</u>	
TOTAL SALES VOLUME	430,448.4		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>430,448.4</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	430,448.4	2,165,711.00	5.03129063
UNRECOVERED PURCHASED GAS COST		1,003,468.62	
ROUNDING(ADD/(DEDUCT))		<u>(241.69)</u>	
TOTAL GAS COST IN REVENUE		<u>3,168,937.93</u>	
TOTAL GAS COST RECOVERY(GCR)		3,184,314.22	
LESS: RA		(1,716.69)	
BA		<u>17,092.98</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>3,168,937.93</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		1,003,468.62	
LESS: AA		<u>227,800.60</u>	
MONTHLY COST DIFFERENCE		775,668.02	
EXTENDED MONTHLY COST DIFFERENCE		<u>775,426.33</u>	
ROUNDING		<u>(241.69)</u>	

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

APRIL, 2003

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH APRIL, 2003</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	663,072
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(7,104)
TOTAL SUPPLY VOLUMES	MCF	<u>655,968</u>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	4,000,705
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(5,455)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
TOTAL SUPPLY COST	\$	<u>3,995,250</u>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	846,094.6
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
TOTAL SALES VOLUME	MCF	<u>846,094.6</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	4.722
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	<u>6.531</u>
DIFFERENCE	\$/MCF	(1.809)
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>846,094.6</u>
MONTHLY COST DIFFERENCE	\$	<u>(1,530,585.13)</u>

Revision due to the wrong Interdepartmental MCF 's used in the above calculation.

The Sales Volumes were overstated and the EGC in effect was overstated

The original Interdepartmental MCF's used was 145,982 instead of 826 MCF.

**THE UNION LIGHT, HEAT AND POWER COMPANY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF APRIL, 2003**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	4,052,544.22	
adjustments	(27,339.87)	
IT monthly charges entered by Gas Supply	<u>(24,499.04)</u>	4,000,705
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 PLUS: INCLUDABLE PROPANE		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 LESS CMT MANAGEMENT FEE	5,455.00	(5,455)
 LESS: TOP TRANSP. RECOVERIES	0.00	0
 LESS: GAS LOSSES - DAMAGED LINES	0.00	0
 LESS: GAS SOLD TO REMARKETERS	0.00	
adjustments	<u>0.00</u>	0
 LESS: GAS COST CREDIT	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		<u><u>3,995,250</u></u>

<u>ACCOUNTING ENTRY FOR DEFERRAL ONLY</u>	<u>AMOUNT</u>	<u>BOOKED IN APRIL 2003</u>	<u>ADJ. IN FILING</u>
ACCOUNT 191-40	(1,530,585.13)	(2,479,117.75)	948,532.62
ACCOUNT 805-10	1,530,585.13	2,479,117.75	(948,532.62)

THE UNION LIGHT, HEAT AND POWER COMPANY

08/06/04

APRIL, 2003

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	846,094.6	5,525,520.37	6.53061770
RA		(4,952.85)	
AA		8,494.22	
BA		<u>98,465.46</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>5,627,527.20</u></u>	
TOTAL SALES VOLUME	846,094.6		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>846,094.6</u></u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	846,094.6	3,995,250.00	4.72198972
UNRECOVERED PURCHASED GAS COST		1,539,079.35	
ROUNDING(ADD/(DEDUCT))		<u>(314.76)</u>	
TOTAL GAS COST IN REVENUE		<u><u>5,534,014.59</u></u>	
TOTAL GAS COST RECOVERY(GCR)		5,627,527.20	
LESS: RA		(4,952.85)	
BA		<u>98,465.46</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u> </u>	
		<u><u>5,534,014.59</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		1,539,079.35	
LESS: AA		<u>8,494.22</u>	
MONTHLY COST DIFFERENCE		1,530,585.13	
EXTENDED MONTHLY COST DIFFERENCE		<u>1,530,270.37</u>	
ROUNDING		<u><u>(314.76)</u></u>	